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Attorney for Defendant Grace International, Inc.

**IN THE UNITED STATES DISTRICT COURT  
 FOR THE  
 NORTHERN MARIANA ISLANDS**

|                            |   |  |
|----------------------------|---|--|
| QIAN XIAO LI,              | ] | Civil Action No. CV-07-0017  |
| vs.                        | ] | <b>COUNSEL'S AFFIDAVIT IN<br/>   SUPPORT OF MOTION FOR<br/>   LEAVE TO WITHDRAW<br/>   UNDER LR 83.5.g.4</b> |
| GRACE INTERNATIONAL, INC., | ] |  |
| Defendant.                 | ] |  |

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I, F. Matthew Smith, give the following statement under oath:

1. On April 20, 2007, I entered into a representation agreement ("Agreement") with Grace International, Inc., in the above action.
2. The Agreement was for representation based on a reduced hourly rate, with a retainer amount to be deposited into a client trust account, and from which fees and expenses would be deducted on a monthly basis as earned with a billing statement furnished to Grace reflecting all work performed and expenses incurred for the preceding month. Grace agreed and promised to pay any outstanding amount promptly, and in no case later than 30 days after the billing statement was issued.
3. Since entering into this Agreement with Grace, I have acted with the diligence required of me as an attorney representing Grace.
4. Beginning with June and July, 2007 billings, Grace became less and less reliable with payments. As of July 31, 2007, Grace owes an outstanding amount of \$2, 546.41 in fees and costs.

5. Since July, 2007, I have been corresponding by e-mail with Grace trying to rectify the unpaid billings, and more importantly, trying to consult with Grace over critical matters of the case.

6. At all times, communication with Grace has been spotty and difficult. It has been insufficient to properly manage the case or represent Grace in this matter.

7. I have forwarded the recently filed deposition notice for Grace to Grace, as well as the pending written discovery requests received for Grace; and at the same time requested their help or told them I would need to withdraw. Except for this discovery, this case is relatively new and there are no motions or matters requiring immediate attention pending.

8. In response to my forwarded email, I have received emails from Grace that indicate that they accept the withdrawal of my representation and request that all correspondence and pleadings be sent to Grace at its mailbox: PMB 888 Box 10001. True copies of those emails, with the pertinent parts unredacted are attached to this affidavit.

9. Opposing counsel of record Mr. Jed Horey has been served with a copy of my motion and was also previously informed by phone of my intention to withdraw.

Dated this 13<sup>th</sup> day of August, 2007.



F. MATTHEW SMITH, Esq.



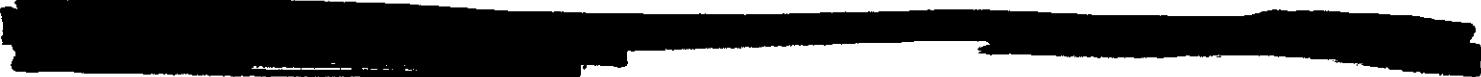
Matthew Smith &lt;attorney.matt.smith@gmail.com&gt;

**i will file withdrawal on MON 8/6**

Ricky <kwtricky@yahoo.com.hk>  
To: Matthew Smith <attorney.matt.smith@gmail.com>

Sun, Aug 5, 2007 at 1:32 PM

Matt,



For the case, after discuss with the GM, we feel that it might cost us the same no matter what the result is, so we decided not to proceed anymore. We see no benefit to keep this case going on and we have no other choice but let it stop here.

Thank you very much for your previous effort as our attorney and I hope we can be partner again in the future.

Tks & B.Rgds  
Ricky

P.S. Please have the defendant lawyer to forward all the correspondence to GRACE's mailbox.

The logo consists of the letters "GM" in a stylized, bold font. The "G" is larger and positioned above the "M". Both letters have a thick, dark outline.

Matthew Smith &lt;attorney.matt.smith@gmail.com&gt;

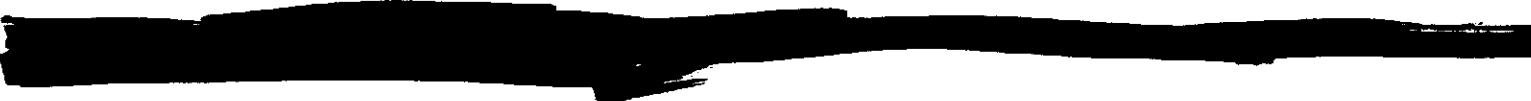
**Re : URGENT, final withdrawal [REDACTED]**

Ricky <kwtricky@yahoo.com.hk>  
To: Matthew Smith <attorney.matt.smith@gmail.com>

Thu, Aug 9, 2007 at 1:00 PM

Matt,

Sorry for the late reply. After one more discuss with the GM, we maintain our original decision, i.e. not to proceed any lawsuit. Again, please have them to direct all correspondence to our mail box : PMB 888 BOX 10001. Thank you once again for your kind consideration.

A large horizontal black redaction mark covers the area where a signature would typically appear.

Tks & B.Rgds  
Ricky